

# Crawley Borough Council

## Minutes of General Purposes Committee

27 November 2006

at 7.30 p.m.

### Present:

Councillor R D Burrett (Chair)

Councillor D English (Vice-Chair)

Councillors C A Cheshire, M T Head, R A Lanzer, J G Smith and  
L A Walker

### Also in Attendance:

Councillors A C W Crane, D W Murdoch and G K Seekings

### Officers Present:

P Tinsley  
J Green

(Head of Democratic Services)  
(Principal Democratic Services Officer)

### Apologies for Absence:

Councillors B K Blake, D G Crow, J Mortimer and D J Shreeves

### 11. Minutes

The minutes of the meeting of the Committee held on 25 September 2006 were approved as a correct record and signed by the Chair.

### 12. Members' Disclosure of Interests

No disclosures of interest were made by Members.

**13. Audit and Governance Sub Committee**

**RESOLVED**

That the minutes of the meeting of the Audit and Governance Sub Committee held on 25 September 2006 and set out in Appendix A to these minutes be received.

**14. Changes to the Constitution**

**(1) Review of premises licences/ club premises licences**

The Committee considered proposals for the further delegation of functions from the Licensing Committee to the Licensing Sub Committee. The Licensing Committee had indicated that it concurred with the proposed delegation at its meeting on 7 November 2006.

**RECOMMENDATION**

That the Council be asked to amend the Constitution to provide for the function of determining applications to review premises licences/club premises certificates to be delegated to the Licensing Sub-Committee, in accordance with published guidance.

**(2) Appointments and Investigating Committee**

At the Annual Meeting held on 26 May 2006, the Council had agreed the recommendations of the Membership Committee with regard to the membership of the Appointments and Investigating Committee. Part of that recommendation had provided that, as far as possible, the functions of the Appointments and Investigating Committee would be carried out by a politically balanced panel of between 3 and 5 members drawn from the membership of that Committee.

However, due to a clerical error, this provision had not been carried forward to the Constitution.

**RESOLVED**

That it be noted that the Constitution will be amended with a view to correcting the error.

**15. Polling District Review – Elections 2007**

The Committee considered report DS/67 of the Head of Democratic Services on the Polling District Review – Elections 2007.

The Committee was reminded that Bewbush ward was currently divided into three polling districts with polling taking place at Bewbush Community Centre, Barn Church and Waterfield First School. However, the location of the Barn Church and Waterfield First School at the edge of their polling districts had caused inconvenience and confusion for voters and had not helped to increase turnout. The view was taken that, for many electors within these two polling districts, the central location of the Bewbush

Community Centre would be more convenient and would avoid disruption to Waterfield School. Therefore, it was proposed that the polling districts should be combined and that voting for the whole ward should take place at the Community Centre for 2007 and that the success of this arrangement should be reviewed after the election in May.

The Committee was also informed that new provisions in the Electoral Administration Act 2006 would place a duty on the Council to carry out a review of polling arrangements across the whole Borough. This part of the Act would come into force on 1<sup>st</sup> January 2007 and would require the review to take place within 12 months and thereafter at four yearly intervals. A report would therefore be submitted to the Committee next year.

## RECOMMENDATION

That the Council be recommended to approve the designation of Bewbush Ward as a single polling district.

### 16. Notice of Motion

At the meeting of the Council on 18 October, 2006, the following Notice of Motion as moved by Councillor G K Seekings (seconded by Councillor L A Seekings) and amended by Councillor R D Burrett (seconded by Councillor B K Blake) had been carried:-

'The Council notes the following motion tabled by Councillor G K Seekings and agrees not to take any decision upon it at this meeting, but to refer the matter to the General Purposes Committee for further research and detailed consideration of a range of options.

*"Historically this Council has normally chosen a member of the majority group to be the Mayor and Deputy Mayor on the "absolute power absolutely" principle. This Council notes that although this year the Deputy Mayor was selected from one of the opposition parties this has not been the custom and practice previously. This has resulted over the years in opposition Councillors being prevented from becoming Mayor or Deputy Mayor notwithstanding their ability or wish to aspire to those Offices.*

*The system as presently set out in the Council's Standing Orders, notwithstanding the welcome change made this year, will not prevent a reversion to the old system.*

*This Council, whilst recognising the good work done by the Mayor and Deputy Mayors of Crawley over the past years, accepts that the existing process for selecting them is flawed and needs to be changed.*

*This Council therefore agrees that the present Standing Orders on choosing the Mayor and Deputy Mayor should be amended. These amendment(s) should ensure that recognition is given to the relevant political parties' strength each year and over the years, and to the length of service of the Councillors to be nominated. These amendment(s) should also contain safeguards to ensure that in the event of one political party not having an absolute majority, then the will of the party/parties forming the Council's Executive should not be able to be thwarted*

*by a Mayor from an opposition party using/misusing the casting vote.*

*The Council therefore instructs the relevant Council Officer(s) to bring forward alternative Standing Orders to bring about this change before the next Mayor and Deputy Mayor are chosen."*

The Head of Democratic Services advised the Committee that she was of the view that, whilst it would be possible for the Council to have a protocol that provided guidance to members, it would not be lawful to enshrine in the Council's Constitution any procedure that would fetter the discretion of the Council to appoint whoever the majority of members present and voting at the Annual Meeting wished to appoint. Equally, it was not felt that the Constitution could fetter the Mayor's discretion in how he/she used the casting vote. Comments had been sought from other local authority officers via the Association of Council Secretaries and Solicitors and the responses received supported this advice.

The Committee had before it, for information, copies of protocols which were in place in Maidstone, Cambridge, Epping Forest and Pendle. Details of systems for the appointment of the Mayor in Chelmsford, Neath Port Talbot, Harrow and Stockton on Tees were also before the Committee. In some cases, the protocol provided for the most senior member by length of service to be appointed as Deputy Mayor and for that member to go on to become Mayor. Other protocols provided for the political group with the most points to nominate the Deputy Mayor, with a point being allocated each year for every Member of the group, and a deduction being made from the cumulative total of the group which last nominated the Deputy Mayor. Once again, the Deputy Mayor would normally be invited to become Mayor after his/her year in office as Deputy Mayor.

## **RESOLVED**

That the Head of Democratic Services be asked to bring back to the next meeting of the Committee for consideration, a draft points based protocol to be used in circumstances where either there is no overall control or where the majority party has 21 or more seats (with the presumption that in all other circumstances the Mayor should be appointed on the nomination of the majority group and the Deputy Mayor on the nomination of the opposition).

### **17. Closure of Meeting**

With the business of the Committee concluded, the Chair declared the meeting closed at 8.20 pm.

**R D BURRETT  
Chair**

## *Crawley Borough Council*

### **Minutes of Audit and Governance Sub-Committee**

**25 September 2006 at 6.00 p.m.**

**Present:**

Councillor L A Walker (Chair)

Councillors R D Burrett, C A Cheshire, M Head and D J Shreeves

**Officers Present:**

M Coughlin	(Chief Executive)
D Covill	(Director of Resources)
J Green	(Principal Democratic Services Officer)
J Hills	(Interim Audit Manager)
J Molloy	(Interim Head of Finance)
K Pullen	(Auditor)
P Tinsley	(Head of Democratic Services)

**Also in Attendance:**

*Messrs N Ward and D Rogers of the Audit Commission*

**12. Minutes**

*The minutes of the meeting of the Sub-Committee held on 7 September 2006 were approved as a correct record and signed by the Chair.*

**13. Members' Disclosure of Interests**

*No disclosures of interest were made.*

**14. 2005/06 Accounts**

*The Sub-Committee welcomed to the meeting Mr Nick Ward and Mr Damian Rogers from the Audit Commission and accepted apologies from Mr Simon Mathers for being unable to attend.*

*A copy of the draft Annual Governance Report prepared by the Audit Commission had been circulated to the Sub Committee. The Chair of the Sub Committee had agreed that, although this report had not been available for public inspection for five clear days before the meeting, there were special circumstances justifying its urgent consideration as the Sub Committee needed to consider the Audit Commission's Report on the 2005/06 accounts at this meeting.*

*In presenting the Report, Mr Ward indicated that, by 30 September, the auditors were required to give an opinion on whether the Council's financial statements fairly presented the income and expenditure for 2005/06 and the financial position of the Council as at 31 March 2006. However, the work on the financial statements remained incomplete because it had not been possible to undertake all of the required audit work on the drafts produced.*

*Mr Ward advised the Sub Committee that this was because the Council had failed to produce adequate supporting records enabling an examination of records relevant to amounts and disclosures in the financial statements and consideration had been given to taking the unusual step of issuing a disclaimer of opinion. However, he indicated that, after careful consideration, the Audit Commission had taken the view that they were prepared to wait until 30 November for properly balanced accounts, (with a view to issuing an opinion in January 2007). Section 11 recommendations would be issued by the Audit Commission relating to this and to a requirement for the production of properly documented procedures. The Council would be required to consider these recommendations and to respond publicly to them. The Sub Committee would be required to meet before the end of November to agree the revised Statement of Accounts*

*It was stressed that the Council's more significant financial systems appeared to be adequate. However, it seemed that a failure to make accurate accounting adjustments at the end of the financial year had resulted in errors in the draft financial statements. The Audit Commission considered that the production of revised, fully balanced financial statements should be achievable by the revised deadline, particularly in view of the fact that the Council was seeking to outsource this work (and that relating to the documentation of procedures).*

*It was pointed out that the revised methodology for calculating the value of Council dwellings in Table 1 of the Report had not been implemented and this was responsible, therefore, for the particularly high figure in the table relating to the value of the housing stock. It was explained that this represented the notional 'book' value and had no relation to the value of the stock in terms of a potential transfer which took account of required maintenance standards and inability to charge market rents.. It was stressed that the misstatements set out in the Table represented incorrect accounting adjustments and should not imply any monetary losses to the Council. It was also emphasised that the true situation would only be known when the financial statements had been re-worked and, therefore, it was not recommended that the amendments to correct the misstatements should be processed until the full picture was understood*

*In response to a question from Councillor Burrett concerning the Action Plan in Appendix 7, it was confirmed that many of the implementation dates were aligned with the end of the financial year so that recommendations had been actioned before the accounts for 2006/07 were closed. The Director of Resources advised the Sub Committee that the recommendations would be implemented prior to the proposed dates if possible but that he would not wish to divert staff from work on the closure of accounts. The Sub Committee would be regularly updated on the implementation of the Action Plan.*

*Members of the Sub Committee and the officers thanked the Audit Commission for the help and support that they had given the Council, whilst maintaining a strictly independent role. The Commission was assured that the Council would make every effort to rectify the situation and to ensure that it would not reoccur in the future.*

*It was recognised that the problems which had been experienced this year in finalising the accounts were due to an exceptional set of circumstances which had exposed weaknesses in both financial and corporate systems. Procedures would be put in place to address these weaknesses. In connection with staffing problems experienced, the Chair proposed that an additional recommendation should be included in paragraph 20 of the Audit Commission's report requiring the Council to put in place measures for succession planning. Mr Ward confirmed that this proposal was most acceptable.*

### **RESOLVED**

*That the draft Annual Governance Report be accepted, subject to the inclusion in paragraph 20 of an additional recommendation requiring the Council to put measures in place for succession planning.*

#### **15. Revisions to the Internal Audit Plan 2006/07**

*The Sub-Committee considered report FIN/93 of the Interim Head of Finance on Revisions to the Internal Audit Plan for 2006/07.*

*The Sub Committee was advised that the Audit Commission had responded positively to the proposed revisions confirming that, overall, the Plan was much improved. In particular, they had commented that the plan was clearly risk based, that high risk areas not included in the original plan had now been incorporated, that it was correct to defer work in some low risk areas (given priorities and resourcing constraints) and that the specific fraud focused work should help the Council to discharge some of its responsibilities. However, the Audit Commission had expressed concerns about available resources and the possible consequential impact on delivery.*

*Members of the Sub-Committee were concerned that, despite outsourcing elements of the Internal Audit Plan to Haines Watts, in the past the Council had not been able to deliver the full audit programme.*

*The Sub Committee was advised that the revisions were intended to make the Plan more realistic and deliverable. Work from the previous programme which had not been completed or included would be prioritised and built into the next three year programme. Many of the 'non-audit' duties had been taken away from the Internal Audit Team and a flexible approach would be adopted with regard to the elements of the Plan to be outsourced. This would mean that, in the process of allocating work, the specialist skills of Haines Watts would be maximised. Extra budgetary provision together with an additional audit post as a result of the Finance restructure was expected to place the Council in the position to be able to deliver the Internal Audit Plan.*

*The Sub Committee asked to be updated on a regular basis.*

*In response to a further question from the Sub-Committee, it was confirmed that risk weighting would be applied to proposals in future Audit Plans*

**RESOLVED**

*That the revisions proposed to the 2006/07 Internal Audit Plan set out in Appendix A to report FIN/93 be approved.*

**16. Internal Audit Progress Report as at 8 September 2006**

*The Sub-Committee considered report FIN/95 of the Interim Head of Finance on the Internal Audit Progress Report as at 8 September 2006.*

*Appendix 1 to the report contained a summary of High Priority Recommendations, including a proposal that cash payments in excess of £500 should be investigated in order to avoid the Council from becoming inadvertently involved in money laundering. The Interim Audit Manager confirmed that the management response, based on a benchmarking exercise, whereby cash transactions of £2,000 or more were now being reported, was acceptable from an audit perspective.*

*In response to questions from Members about the length of time taken to reclaim election expenses, the Head of Democratic Services advised the Sub-Committee that this was, in the main, due to a change of staff between the European Election and the compilation of the accounts, which inevitably made the task much more difficult. However, the Election Services Manager was endeavouring to complete the very bureaucratic process as soon as was practicable, given all the other requirements of his job.*

*Concern was expressed that the sample checking of accuracy of work on Housing and Council Tax Benefit claims had lapsed due to staff shortages at Team Leader and management level. The Sub Committee was reassured that the sample checking would be re-introduced with effect from 1 October and that this area would be revisited towards the end of the year to ensure that no further lapses occurred.*

*The Sub-Committee confirmed that they would be satisfied with receiving a progress report on only those recommendations identified as high priority.*

**RESOLVED**

*That progress to date be noted.*

**17. Internal Audit Review of Corporate Governance Arrangements (Phase 1)**

*The Sub-Committee considered joint report FIN/94: DS/66 of the Interim Head of Finance and the Head of Democratic Services on Phase 1 of the Internal Audit Review of Corporate Governance Arrangements.*

*Phase 1 of the review consisted of a high level self assessment exercise. Overall the responses indicated strongly that its corporate governance arrangements were, if not wholly, then mainly in accordance with good practice. The report went on to highlight areas of weakness as identified by the Council's scoring system and recommended areas which should be considered for more detailed audit review during 2006/07.*



*Members queried the effectiveness of the whistleblowing policy and were advised that only about four cases were dealt with per annum. It was felt that this might possibly be due to lack of staff awareness about the whistleblowing procedure. The Head of Democratic Services, therefore, undertook to arrange for further publicity to be given to the arrangements. The Sub-Committee felt that this was an area that should be revisited on a regular basis.*

*In connection with the proposal that a governance framework should be in place for working with partners, the Chief Executive reported that discussions would be taking place shortly about joint governance arrangements with the LSP and that further requirements might arise from the Local Government White Paper.*

*The Chief Executive proposed that all of the items without a score should be allocated a 3 (indicating that most attributes were exhibited).*

**RESOLVED**

*That the report be noted.*

**18. Exclusion of the Public**

**RESOLVED**

*That in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act by virtue of the paragraph specified against the item.*

**19. Background to Closure of Accounts**

**(Exempt Paragraph 1 – Information relating to an individual)**

*The Sub-Committee considered report DIRr/27 of the Director of Resources on the Background to the Closure of Accounts 2005/06.*

*The Director of Resources answered questions about the need for the structural changes which had been implemented to drive the service forward, the unique circumstances which had led to the difficulties which had arisen and about future risk management.*

**RESOLVED**

*That the report be noted*

**20. Closure of Meeting**

*With the business of the Sub-Committee concluded, the Chair declared the meeting closed at 7.40 pm.*

L A WALKER  
**Chair**